

**REMARKS**

This Application has been carefully reviewed in light of the Office Action mailed August 5, 2004 ("Office Action"). At the time of the Office Action, Claims 1-20 were pending in the application. In the Office Action, the Examiner rejects Claims 1-20. Applicant notes with appreciation the Examiner's acceptance of the drawings filed on May 24, 2001. Applicant amends Claims 1, 5, 6, 11, 15, and 16 and adds new Claims 21-39. Applicant respectfully requests reconsideration and favorable action in this case.

**Section 101 Rejections**

The Examiner rejects Claims 1-20 under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. Specifically, the Examiner states that the claims are "nothing more than an abstract idea, which is not tied to any technological art and is not a useful art." (Office Action, page 3). Applicant respectfully traverses this rejection of Claims 1-20 and requests reconsideration and favorable action.

The patent laws define patentable subject matter as "any new and useful process, machine, manufacture or composition of matter, or any new and useful improvement thereto." See 35 U.S.C. § 101. When an abstract idea is reduced to a practical application, the abstract idea no longer stands alone if the practical application of the abstract idea produces a useful, concrete and tangible result. This then satisfies the requirements of 35 U.S.C. § 101. See *In re Alappat*, 33 F.3d 1526, 31 U.S.P.Q. 2d 1545, 1558 (Fed. Cir. 1994); see also *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 47 U.S.P.Q. 2d 1596, 1601-02 (Fed. Cir. 1998) and the PTO guidelines held at [www.uspto.gov/web/menu/pbmethod/trangmaterials.ppt](http://www.uspto.gov/web/menu/pbmethod/trangmaterials.ppt). While an abstract idea by itself may not satisfy the requirements of 35 U.S.C. § 101, an abstract idea when practically applied to produce a useful, concrete, and tangible result satisfies 35 U.S.C. § 101. See *AT&T Corp. v. Excel Comm. Inc.*, 172 F.3d 1352, 1357, 50 U.S.P.Q. 1447, 1452 (Fed. Cir. 1999) (stating that as technology progressed, the CCPA overturned some of the earlier limiting principles regarding § 101 and announced more expansive principles formulated with computer technology in mind); see also *In re Musgrave*, 431 F.2d 882, 167 U.S.P.Q. 280 (CCPA 1970) (cited by the Federal Circuit in *AT&T Corp.*, 172 F.3d at 1356). Thus,

producing a useful, concrete, and tangible result is the key to patentability according to *State Street* and other applicable case law.

Applicant respectfully submits that independent Claims 1 and 11 produce a useful, concrete, and tangible result. "Only when the claim is devoid of any limitation to a practical application in the technological arts should it be rejected under 35 U.S.C. 101." M.P.E.P. § 2106. Indeed, a method or process remains statutory even if some or all of the steps therein can be performed in the human mind, with the aid of the human mind, or because it may be necessary for one performing the method or process to think. See *In re Musgrave*, 431 F.2d at 893, 167 U.S.P.Q. at 289. Claims 1 and 11 are directed to methods for using a public communications network to manage the return of an item purchased from a consumer from a remote direct merchandiser. Thus, using a public communications network is one practical application of Claim 1.

Furthermore, although Applicant believes Claims 1-20 recite allowable subject matter as originally filed, Applicant has made clarifying amendments to independent Claims 1 and 11 in order to address the Examiner's concern. For example, Applicant has amended Claims 1 and 11 to recite "receiving a first communication at a returns manager system" and "providing a second communication from the returns manager system to the local returns site." Additionally, Applicant has amended Claims 1 and 11 to recite that "the first and second communications are communicated using a public communications network." In no way should such amendments be construed as acquiescence to the Examiner's contentions regarding these independent claims.

For at least the reasons discussed above, Applicant respectfully requests that Examiner's rejection of Claims 1-20 under 35 U.S.C. § 101 be withdrawn.

### **Section 102 Rejections**

The Examiner rejects Claims 1-7, 10-17, and 20 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,085,172 issued to Junger ("*Junger*"). Applicant respectfully traverses these rejections for the reasons stated below.

Independent Claim 1, as amended, recites as follows:

A method of using a public communications network to manage the return of an item purchased by a consumer from a remote direct merchandiser, comprising the steps of:

receiving a first communication at a returns manager system, the first communication comprising return request data from a local returns site;

providing a second communication from the returns manager system to the local returns site, the second communication comprising return validation data having at least a return validation code;

validating the return by matching the return validation code with a pre-authorization code provided by the consumer; and

crediting an account of the consumer for a return value of the returned item after validating the return;

wherein the first and second communications are communicated using a public communications network.

In order to establish a *prima facie* case of anticipation, all the elements of the claimed invention must be found within a single prior art reference. *Dewey & Almy Chemical Co. v. Mimex*, 124 F.2d 986, 52 U.S.P.Q. 138 (2d Cir. 1942). In addition, “[t]he identical invention must be shown in as complete detail as is contained in the . . . claims” and “[t]he elements must be arranged as required by the claim.” *Richardson v. Suzuki Motor Co.*, 9 U.S.P.Q.2d 1913, 1920 (Fed. Cir. 1989); *In re Bond*, 15 U.S.P.Q.2d 1566 (Fed. Cir. 1990); M.P.E.P. § 2131 (*emphasis added*). Applicant respectfully submits that *Junger* does not disclose, teach, or suggest each and every element of independent Claim 1.

For example, *Junger* does not disclose, teach, or suggest “validating the return by matching the return validation code with a pre-authorization code provided by the consumer,” as recited in Applicant’s Claim 1. Rather, *Junger* merely discloses a system and method for handling product returns “in the context of a retailer/manufacturer product situation, . . . a store/headquarters situation, a retailer/distributor situation, or a distributor/manufacture situation.” (Abstract; Column 3, lines 29-34; Figure 1 and 2). Specifically, the method and system disclosed in *Junger* are implemented after “a regional warehouse 1 operated by a large retail chain collects product returns from local retail stores 3A and 3B.” (Column 3, lines 44-46; Figure 1). Thus, the system and method of *Junger* is intended to be implemented

between two intermediary sources of a product. *Junger* discloses that “[a]fter the returned products arrive at the regional warehouse 1, they are sorted by manufacturer and/or product, and are shipped from the regional warehouse 1 to the manufacturer warehouse 5 for credit or replacement.” (Column 3, lines 58-61). Although “advance return authorization may be obtained for a plurality of products at one time” (Column 4, lines 30-33), such authorization is obtained when a return center operator at the regional retailer provides the manufacturer with “the Universal Product Code (UPC) number for the product, the product serial number, and a store reference code (if desired).” (Column 6, lines 30-33). Because *Junger* merely discloses that a regional retailer may obtain advance return authorization by submitting the UPC number for the product and the product serial number, *Junger* does not disclose, teach, or suggest “validating the return by matching the return validation code with a pre-authorization code provided by the consumer,” as recited in Applicant’s Claim 1.

As another example, *Junger* also does not disclose, teach, or suggest “crediting an account of the consumer for a return value of the returned item after validating the return,” as recited in Applicant’s Claim 1. As discussed above, *Junger* discloses a system by which a regional retailer may receive reimbursement for a returned product. *Junger* specifically states that “[b]ecause the returned products are received in a batch and have been pre-approved for return credit, . . . the manufacturer is able to more quickly credit the return center for the returned products.” (Column 8, lines 60-67). Thus, *Junger* merely provides a system and method for obtaining reimbursement from a manufacturer for a retailer who has credited a customer for a returned item. Accordingly, *Junger* does not disclose, teach, or suggest “crediting an account of the consumer for a return value of the returned item after validating the return,” as recited in Applicant’s Claim 1.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claim 1, together with Claims 2-10 that depend from Claim 1.

The Examiner also relies on *Junger* to reject independent Claim 11. Applicant respectfully submits that *Junger* does not disclose, teach, or suggest each and every element of Applicant’s independent Claim 11. For example, Claim 11 recites “validating the return by matching the return validation code with a pre-authorization code provided by the

consumer.” Claim 11 also recites “crediting an account of the consumer for a return value of the returned item after validating the return.” Thus, for reasons similar to those discussed above with regard to Claim 1, Applicant respectfully submits that *Junger* does not disclose, teach, or suggest each and every element set forth in Applicant's independent Claim 11.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claim 11, together with Claims 12-20 that depend from Claim 11.

### **Section 103 Rejections**

The Examiner rejects Claims 8-9 and 18-19 under 35 U.S.C. § 103(a) as being unpatentable over *Junger*. Applicant respectfully traverses these rejections for the reasons stated below.

Dependent Claims 8-9 and 18-19 depend upon independent Claims 1 and 11, respectively, which Applicant has shown above to be allowable. Accordingly, dependent Claims 8-9 and 18-19 are not obvious over the proposed combination at least because they include the limitations of their respective independent claims. Additionally, dependent Claims 8-9 and 18-19 recite elements that further distinguish the art. As examples, Claims 8 and 18 recite “providing a returns validation code to the consumer prior to the step of receiving return request data from the local returns site.” As further examples, Claims 9 and 19 recite that “the step of providing a return validation code to the consumer is performed using a website accessed by the consumer.” As discussed above with regard to Claim 1, *Junger* merely discloses that a regional retailer may obtain a reimbursement credit by submitting the UPC number for the product and the product serial number to the manufacturer for advance return authorization. (Column 6, lines 30-33). Accordingly, for reasons similar to those discussed above with regard to Claim 1, Applicant respectfully submits that *Junger* does not disclose, teach, or suggest the elements recited in Applicant's dependent Claims 8-9 and 18-19.

Moreover, assuming for the purposes of argument that *Junger* discloses the features and operations of Claims 8-9 and 18-19 (which Applicant disputes above), the rejection of

Claims 8-9 and 18-19 is improper at least because the Examiner has not shown a suggestion or motivation in the references or in the knowledge generally available to one of ordinary skill in the art to modify *Junger*, which is required by the M.P.E.P. “The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art suggests the desirability of the combination.” M.P.E.P. § 2143.01. Nothing in *Junger* suggests or motivates the proposed modification, nor has the Examiner provided any evidence that suggests the proposed modification. If the Examiner is relying on “common knowledge” or “well known” art in support of his rationale for modifying the references, the Examiner is requested to produce a reference in support of his position pursuant to M.P.E.P. § 2144.03. If the Examiner is relying on personal knowledge to supply the required motivation to modify, Applicant respectfully requests that the Examiner produce an affidavit supporting such facts pursuant to M.P.E.P. § 2144.03. Without such independent suggestion, the art is to be considered as merely inviting unguided and speculative experimentation which is not the standard with which obviousness is determined. *Agmen Inc. v. Chugai Pharmaceutical Co., Ltd.*, 927 F.2d 1200, 18 U.S.P.Q.2d 1016 (Fed. Cir. 1991).

For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claims 8-9 and 18-19.

**New Claims 21-39 are Allowable**

New Claims 21-39 have been added and are fully supported by the original specification. No new matter has been added. Because *Junger* does not disclose, teach, or suggest the combination of features recited in Applicant’s New Claims 21-39, Applicant respectfully submits that New Claims 21-39 are allowable over the prior art of record. For example, new independent Claim 21 recites “crediting an account of the consumer for a return value of the returned item after validating the return.” For reasons similar to those described above with regard to Claim 1, this element is not disclosed, taught, or suggested by *Junger*. Accordingly, Applicant respectfully submits that new Claims 21-39 are allowable over the prior art.

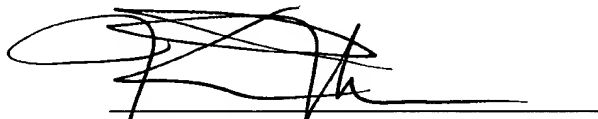
**CONCLUSION**

Applicant has made an earnest attempt to place this case in condition for immediate allowance. For the foregoing reasons and for other reasons clear and apparent, Applicant respectfully requests reconsideration and allowance of the pending claims.

Applicant does not believe any fees are due. However, the Commissioner is hereby authorized to charge any additional fees or credit any overpayment to Deposit Account No. 02-0384 of Baker Botts L.L.P.

If there are matters that can be discussed by telephone to advance prosecution of this application, Applicant invites the Examiner to contact its attorney at the number provided below.

Respectfully submitted,  
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